

Administration of Barack H. Obama, 2009

Remarks on the National Economy

August 7, 2009

Good afternoon, everybody. I'd like to say a few words about the state of our economy and what we're doing to put Americans back to work and build a new foundation for growth.

Last week, we received a report on America's Gross Domestic Product, a key measure of our economic's health, and it showed marked improvement over the last few months. This morning we received additional signs that the worst may be behind us. Though we lost 247,000 jobs in July, that was nearly 200,000 fewer jobs lost than in June and far fewer than the nearly 700,000 jobs a month that we were losing at the beginning of the year.

Today, we're pointed in the right direction. We're losing jobs at less than half the rate we were when I took office. We've pulled the financial system back from the brink, and a rising market is restoring value to those 401(k)s that are the foundation of a secure retirement. We've enabled families to reduce the payments on their mortgages, making their homes more affordable and reducing the number of foreclosures. We helped revive the credit markets and opened up loans for families and small businesses.

While we've rescued our economy from catastrophe, we've also begun to build a new foundation for growth. That's why we passed an unprecedented Recovery Act less than a month after I took office and did so without any of the earmarks or porkbarrel spending that's so common in Washington. Now, there's a lot of misinformation about the Recovery Act, so let me repeat what it is and what it is not. The plan is divided into three parts.

One-third of the money is for tax relief that's going directly to families and small businesses. For Americans struggling to pay rising bills with shrinking wages, we've kept a campaign promise to put a middle class tax cut in the pocket of 95 percent of working families, a tax cut that began showing up in paychecks about 4 months ago. We also cut taxes for small businesses on the investments they make and substantially increased loans through the Small Business Administration.

Another third of the money in the Recovery Act is for emergency relief that is helping folks who have borne the brunt of this recession. For Americans who were laid off, we expanded unemployment benefits, a measure that's already made a difference in the lives of 12 million Americans. We're making health insurance 65 percent cheaper for families that rely on COBRA while they're looking for work. And for States facing historic budget shortfalls, we provided assistance that saved jobs of tens of thousands of teachers and police officers and other public service workers.

So these two thirds of the Recovery Act have helped people weather the worst phase of this recession, while saving jobs and stabilizing our economy. The last third is dedicated to the vital investments that are putting people back to work today to create a stronger economy tomorrow. Part of that is the largest new investment of infrastructure in America since Eisenhower built the Interstate Highway System back in the 1950s. These are jobs rebuilding America: upgrading roads and bridges and renovating schools and hospitals.

Now, as we begin to put an end to this recession, we have to consider what comes next, because we can't afford to return to an economy based on inflated profits and maxed-out credit cards, an economy where we depend on dirty and outdated sources of energy, an economy

where we're burdened by soaring health care costs that serve only the special interests. This won't create sustainable growth, it won't shrink our deficit, and it won't create jobs.

And that's why we've put an end to the status quo that got us into this crisis. We cannot turn back to the failed policies of the past, nor can we stand still. Now is the time to build a new foundation for a stronger, more productive economy that creates the jobs of the future.

And this foundation has to be supported by several pillars to our economy. We need a historic commitment to education so that America is the most highly educated, well-trained workforce in the world. We need health insurance reform that brings down costs, provides more security for folks who have insurance and affordable options for those who don't. And we need to provide incentives that will create new clean energy sources for our industries. That's where the jobs of the future are, that is the competition that will shape the 21st century, and that's a race that America must win.

So we have a lot further to go. As far as I'm concerned, we will not have a true recovery as long as we're losing jobs, and we won't rest until every American that is looking for work can find a job. I have no doubt that we can make these changes. It won't be easy, though. Change is hard, especially in Washington. We have a steep mountain to climb, and we started in a very deep valley. But I have faith in the American people, in their capacity for hard work and innovation, in their commitment to one another, and their courage to face adversity.

We've seen already that strength of character over the course of this recession. Across the country, people have persevered even as bills have piled up and work has been hard to come by. Everywhere I go, I meet Americans who've kept their confidence in their country and in our future. That's how we've pulled the economy back from the brink. That's why we're turning this economy around. I am convinced that we can see a light at the end of the tunnel, but now we're going to have to move forward with confidence and conviction to reach the promise of a new day.

Thank you very much.

NOTE: The President spoke at 1:16 p.m. in the Rose Garden at the White House.

Categories: Addresses and Remarks : Economy, national :: Washington, DC.

Locations: Washington, DC.

Subjects: Business and industry : Small and minority businesses; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Credit markets, stabilization efforts; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Global competitiveness; Education : School improvement and renovation; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Unemployment insurance; Energy : Alternative and renewable sources and technologies; Health and medical care : Cost control reforms; Health and medical care : Health insurance, protection of coverage; Health and medical care : Hospitals :: Renovation and improvement funding; Health and medical care : Insurance coverage and access to providers; Housing : Foreclosure rates; Housing : Mortgage refinancing regulations; Small Business Administration : Loan guarantee facility; Taxation : Tax relief; Transportation : Highway system, modernization efforts; Treasury, Department of the : Consumer and Business Lending Initiative.

DCPD Number: DCPD200900631.